

ORIGINAL

OPEN MEETING AGENDA ITEM



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April 25, 2015

ARIZONA CORPORATION COMMISSION

1200 W. Washington
Phoenix, AZ 85007

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FORMAL COMPLAINT

Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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Dear Commissioners:

Thank you for your service to Arizona. I know that there are many competing interests and opinions with every agenda item you face and that balancing those interests and opinions is a difficult task.

I would like to lodge a formal complaint relative to the **Price Road Corridor Project**, document number listed above. This complaint is not about the route of the power transmission lines. I have carefully monitored the change that took most of the power line route through the Gila River Indian Community and believe the Commission found a way to be flexible in the decision to instruct SRP to change the route from the original plan. I am sure that decision was difficult and required much effort.

However, I am filing a complaint as to the method of installing the 230 kV power lines from (1) the approximately three mile stretch starting at the Shrader substation and continuing to the Hunt Highway and (2) the approximately three mile stretch on the west side of Sun Lakes. These residential areas are the ones most impacted by the installation of traditional power lines and the towers that accompany them. I am a resident in both of these two areas (one home I live in, the other is a rental property).

I respectfully ask that you vote only to approve the project with modifications. Specifically that those modifications require SRP to bury the lines in these two locations (a total of approximately 6 miles of buried lines). In addition, that you also restrict any riser structures to the minimum number and minimum height required in these two areas.

To frame the discussion, my research indicates that it costs between \$600,000 and \$1,000,000 per mile to bury these lines. This is very flat route. I cannot imagine it would cost the high end of this estimate. But if we assume the high end, here is how the math works:

\$1,000,000 X 6 miles=	\$6,000,000
Amortized over 20 years=	\$ 300,000 per year
Estimate of number of consumers in area being served	460,000
<u>Estimated average annual ADDITIONAL COST to bury lines</u>	<u>65 cents per year per household</u>

My reasons for requesting these modifications are as follow:

Personal – Whether or not these power lines can be seen from a particular home, their installation using towers will decrease surrounding property values for 1 to 2 miles on either side of the proposed route. If we assume that values drop only 10% that represents a huge loss for each of the thousands of residents

and homeowners effected. The average home in this area, according to Zillow, is approximately \$400,000. A 10% drop in average home value is \$40,000. \$40,000 vs. 65 cents per year. Should SRP dispute the cost, please make them prove their numbers. If I am wrong by 100% it only raises the cost per household in the service area to \$1.30 per year.

Everyone in the service area should bear this additional minimal per household cost of burying the lines. The residents and homeowners in the immediate area of the proposed power lines, estimated at about 10% of the total population being served should not have to bear the burden of reduced home valuations for the benefit of all in the service area. Even on the extreme cost end of the potential costs of burying lines as is the case in the city of Anaheim, CA, where a surcharge of 4% was added to pay for the total burial of ALL above ground lines, the costs are minimal. According to SRP data a 4% surcharge, which nobody is suggesting, would add an average of less than \$48 per year per household. That's \$40,000 loss for a few vs. \$48 per year for all who benefit.

This is a fairness issue – Because of the effect on property values, the surrounding property owners are unfairly subsidizing all of the people and businesses who will benefit from the increased power availability.

I know the energy lobby is large and powerful. When faced with these questions the industry time and time-again quotes the same economic analyses to defend their position. But those analyses never consider the increased value to all in the service areas from a better quality of life and a more pleasing aesthetic presence.

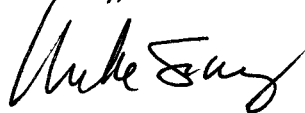
Health – For 65 cents per year, I believe all residents would opt for buried lines because burying the lines reduces the range of electromagnetic fields (EMF) emissions. Although the health effects of this are disputed, why not take the healthiest path whenever possible?

City and County services – The impact of reduced property values affects city and county revenue as well. Reductions in property tax revenue will cause reduction in the quantity and quality of services for all residents in Chandler, Gilbert and Queen Creek.

Based on these reasons, **I am requesting the Commission approve the project only with modifications and that the modifications force the burial of lines in the two areas referenced in this letter.**

Thank you for your consideration in this matter.

Sincerely,



Mike Searcy
778 E. La Costa Dr.
Chandler, AZ 85249